

2011 LEGISLATIVE SESSION

HOUSE & SENATE APPROPRIATIONS SUBCOMMITTEES GUIDANCE

February 2, 2011

As we approach the task of closing a significant budget gap for the next fiscal biennium, the House and Senate are committed to using a balanced and fiscally responsible approach to balancing the State's budget while preserving core public services and functions of our State government.

Thus, all subcommittees will be empowered to do the hard work of developing cuts and proposals to downsize government. The premise behind this approach is that subcommittee members are closer to state government programs and services and are better able to evaluate them. Then, after determining the most effective programs and services, Subcommittees are able to prioritize how funds might best be appropriated...this implies a rethinking of the structure of government by,

1. Focusing Funding on the Core Functions of Each Agency

- a. Constitutional requirements
- b. State and federal mandates
- c. Prioritize other programs

2. Requiring Agencies and Nonprofits to Justify the Budget

- Require state agencies and nonprofits to justify continuing expenditures.
- Use this approach for:
 - Individual programs, including non-essential, ineffective, obsolete, redundant or new programs and services.
 - Specific line items within programs.

3. Managing Growth in Mandatory Programs

Manage growth in mandatory programs and services within spending targets.

4. Considering Reduction Strategies that:

- Eliminate ineffective or obsolete programs
- Eliminate duplication of effort (Span of Control);
- Eliminate administrative inefficiencies;
- Streamline and consolidate departments, programs, offices, and services;
- Reduce non-essential government services
- Reduce non-profit funding
- Minimize the loss of non-State revenues
- Utilize privatization and restructure contracting practices

5. Using Cash Balances of Non-General Funds, and Close the Funds When Possible

Identify Special Funds that divert revenue from the General Fund; permanently close the funds and transfer balances and responsibilities to the General Fund, if feasible; if not feasible, then permanently close the funds and transfer balances and responsibilities to other funds as appropriate.

6. Eliminating Positions

- Consider eliminating vacant and temporary positions, especially those vacant for 6 months or more as of January 1, 2011.

7. Increasing or Implementing Fees

- Examine fees to determine if increases are appropriate to fully offset the cost of providing services. Subcommittees considering fee increases must first consult with the Appropriations Chairs.

8. Examining Rate Changes and Cost Escalators

- Eliminate or reduce automatic cost escalators (e.g. inflation).

9. Proposing a Justification or Continuation Review

- Identify at least one review of **significant** size.

10. Consult the Appropriations Chairs

- Refer **all** salary and benefit-related, debt service, capital and other statewide issues to the Chairs of Appropriations.
- Consult with Appropriations Chairs when considering fee increases.
- Consult with the Appropriations Chairs and the appropriate subcommittee chairs prior to proposing budget adjustments, program transfers or policy changes that impact another subcommittee area.

11. Consult Other Subcommittees as Necessary

Consult with the chairs of the appropriate subcommittee and the Appropriations Chairs prior to proposing budget adjustments, program transfers or policy changes that impact another subcommittee area.

12. Subcommittee Reports:

- Should not include expansion funding.
- Should not include negative reserves or “management flexibility” reductions.
- Should identify all budget adjustments (reductions or mandatory increases) as recurring or non-recurring.
- Should identify all position changes for all funds (eliminations and fund shifts).

13. Special Provisions:

- No authorization to spend reversions.
- No “shall not revert” or “carry forward” language.
- No amendments to substantive policy or law unless directly related to the budget.